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Turkey

Oilseeds and Products Update

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Report Highlights:

Turkish soybean area and production for MY 2016 is now estimated about 30,000 hectares and 100,000 MT. Adverse weather conditions have been reported to have affected yields. Turkey imported 2.28MMT soybeans during MY 2015, of which Ukraine was the leading supplier with 838,000 MT and United States with 402,000 MT. Turkey also imported a total of 592,000 MT soymeal during the MY 2015, of which Argentina supplied 369,000 MT and 72,000 MT were U.S. soymeal.

Post:
Ankara

Commodities:
Oilseed, Soybean

Author Defined:
Soybean

Soybean PSD

| Oilseed, Soybean | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|----------------------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
| Market Begin Year | Sep 2014 | | Sep 2015 | | Sep 2016 | |
| Turkey | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| | | | | | | |
| Area Planted | 40 | 35 | 30 | 27 | 30 | 30 |
| Area Harvested | 35 | 35 | 27 | 27 | 33 | 30 |
| Beginning Stocks | 287 | 287 | 359 | 359 | 274 | 274 |
| Production | 135 | 135 | 100 | 100 | 120 | 100 |
| MY Imports | 2197 | 2197 | 2200 | 2284 | 2250 | 2150 |
| MY Imp. from U.S. | 450 | 450 | 450 | 402 | 450 | 400 |
| MY Imp. from EU | 0 | 32 | 0 | 20 | 0 | 20 |
| Total Supply | 2619 | 2619 | 2659 | 2743 | 2644 | 2524 |
| MY Exports | 10 | 10 | 85 | 118 | 15 | 50 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | 0 | 0 |
| Crush | 1150 | 1150 | 1050 | 1050 | 1150 | 950 |
| Food Use Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom. Cons. | 1100 | 1100 | 1250 | 1300 | 1230 | 1250 |
| Total Dom. Cons. | 2250 | 2250 | 2300 | 2350 | 2380 | 2200 |
| Ending Stocks | 359 | 359 | 274 | 275 | 249 | 274 |
| Total Distribution | 2619 | 2619 | 2659 | 2743 | 2644 | 2524 |
| CY Imports | 2000 | 2255 | 2200 | 2750 | 2300 | 2300 |
| CY Imp. from U.S. | 450 | 739 | 450 | 400 | 450 | 450 |
| CY Exports | 10 | 12 | 50 | 180 | 15 | 50 |
| CY Exp. to U.S. | 0 | 2 | 0 | 150 | 0 | 40 |

Production

Soybean area and production for MY 2016 is now estimated as 30,000 hectares and 100,000 MT. Adverse weather conditions are reported to have affected field yield.

In Cukurova region, where ninety-five percent of the local soybean crop is planted, soybean has to compete with wheat, corn and cotton. In recent years attractive returns on peanuts also creates an alternative to soybean planting in the region.

In spite of the recent increase in soybean production bonus by about twenty percent to TL 600 (US\$ 200) per ton for the MY 2016 crop, it had limited effect on planting.

The GOT has recently announced a new regional crop support program that may improve condition for soybeans planting, but the details of the program are not available as of now. Over the years GOT has been encouraging the increase of oilseeds planting by higher production bonus payments.

Consumption

In MY 2015, the Turkish poultry industry faced difficulties in exports due to security problems in the border areas of major export markets such as Iraq and Syria, along with political disputes. Presently the industry is showing great efforts to find new routes to the main export markets and also searching for new export markets. Recent devaluation of Turkish Lira against the major currencies, more than ten percent during the last three months, had been met with mixed reactions by the industry - on one hand it lowers the export price and makes Turkish products attractive, but on the other hand it greatly increases the cost of imported raw materials for production, where majority of production is used for domestic market. The industry is carefully observing the swing and waiting for exchange rates to settle before committing to an export price. Increase in usage of alternative low-priced feed items such as DDGS in the rations also reduces soybean and products usage. Due to the above issues, domestic consumption of soybean expected to go down to 2.2 MMT in MY 2016.

Trade

Total soybean imports during MY 2015 were 2.28 MMT, up about four percent compared to last marketing years. Ukraine became the leading supplier with 838,000 MT followed by Paraguay with 560,000 MT. Imports from the US were 402,000 MT, about half of last year's amount. Ukraine continued to benefit from geographical proximity and favorable pricing. Brazil (239,000 MT), Uruguay (94,000 MT) and Canada (70,000 MT), were the other leading suppliers.

Turkey's soy exports were 118,000 MT, which is a record, during the marketing year. The United States was the leading destination with 97,000 MT. Exports to United States were non-GMO soybeans. Northern Cyprus (3,200 MT), Canada (2,600 MT) and Iraq (1,400 MT) were the other destinations.

Soybean meal PSD

| Meal, Soybean | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|-----------------------|------------------|-------------|------------------|-------------|------------------|-------------|
| Market Begin Year | Oct 2014 | | Oct 2015 | | Oct 2016 | |
| Turkey | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| | | | | | | |
| Crush | 1150 | 1150 | 1050 | 1050 | 1150 | 950 |
| Extr. Rate, 999.9999 | 0.7704 | 0.7609 | 0.7705 | 0.7714 | 0.7704 | 0.7789 |
| Beginning Stocks | 210 | 191 | 208 | 144 | 257 | 156 |
| Production | 886 | 875 | 809 | 810 | 886 | 740 |
| MY Imports | 464 | 450 | 700 | 592 | 600 | 600 |
| MY Imp. from U.S. | 140 | 47 | 140 | 72 | 140 | 100 |
| MY Imp. from EU | 240 | 15 | 240 | 46 | 240 | 40 |
| Total Supply | 1560 | 1516 | 1717 | 1546 | 1743 | 1496 |
| MY Exports | 52 | 52 | 40 | 40 | 50 | 50 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom. Cons. | 1300 | 1320 | 1420 | 1350 | 1450 | 1300 |
| Total Dom. Cons. | 1300 | 1320 | 1420 | 1350 | 1450 | 1300 |
| Ending Stocks | 208 | 144 | 257 | 156 | 243 | 146 |
| Total Distribution | 1560 | 1516 | 1717 | 1546 | 1743 | 1496 |
| CY Imports | 428 | 417 | 600 | 600 | 600 | 650 |
| CY Imp. from U.S. | 140 | 49 | 140 | 100 | 140 | 120 |
| CY Exports | 45 | 45 | 50 | 45 | 50 | 40 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Soybean meal

Production

MY 2015 soymeal production is now estimated about 810,000 MT. Domestic soymeal production is expected to down to 740, 000 MT in MY 2016 due to anticipated decline in local demand as a result of declines in the broilers industry.

Consumption

MY 2015 domestic consumption was 1.35 MMT. Poultry meat and egg producers who are facing difficulties in exports and slow increase in domestic consumption require less meal. Soymeal

consumption in MY 2016 is projected to be about 1.3 MMT, down about four percent compared to a year ago.

Trade

Turkey has imported a total of 592,000 MT of soybean meal during MY 2015. Argentina was the main supplier with 370,000 MT. The U.S. (71,500 MT), Ukraine (51,000 MT) and Brazil (49,000 MT) were the other leading suppliers.

Turkey exported about 40,000 MT of soy meal during the same period. Iraq (22,700 MT), Northern Cyprus (10,250 MT) and Lebanon (3,100 MT) were the main destinations.

Soybean oil PSD

| Oil, Soybean | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|-----------------------|---------------|----------|---------------|----------|---------------|----------|
| Market Begin Year | Oct 2014 | | Oct 2015 | | Oct 2016 | |
| Turkey | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| | | | | | | |
| Crush | 1150 | 1150 | 1050 | 1050 | 1150 | 950 |
| Extr. Rate, 999.9999 | 0.1783 | 0.1783 | 0.1781 | 0.1781 | 0.1783 | 0.1789 |
| Beginning Stocks | 10 | 10 | 35 | 35 | 27 | 27 |
| Production | 205 | 205 | 187 | 187 | 205 | 170 |
| MY Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from EU | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply | 215 | 215 | 222 | 222 | 232 | 197 |
| MY Exports | 7 | 7 | 15 | 15 | 20 | 20 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Cons. | 95 | 95 | 100 | 100 | 110 | 90 |
| Food Use Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom. Cons. | 78 | 78 | 80 | 80 | 85 | 70 |
| Total Dom. Cons. | 173 | 173 | 180 | 180 | 195 | 160 |
| Ending Stocks | 35 | 35 | 27 | 27 | 17 | 17 |
| Total Distribution | 215 | 215 | 222 | 222 | 232 | 197 |
| CY Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| CY Exports | 10 | 8 | 20 | 20 | 20 | 20 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Soybean oil

Soybean oil production was 187,000 MT in MY 2015 and expected to go down to 170,000 MT in MY

2016 due to anticipated decline in domestic crushing. The main soy oil usage area in Turkey continues to be poultry feed and industrial use since the biosafety law forbids soy oil to be used in food if it is produced from GE soybeans. No GE crops have yet been approved for food use in Turkey.

Due to large domestic crushing for industrial use, Turkey didn't import soy oil during the MY 2015. Exports during the same period however were about 15,000 MT of which 12,000 MT were to Iraq, 1,500 MT to China and 1,400 MT to N. Cyprus.